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THE Wheat SITUATION

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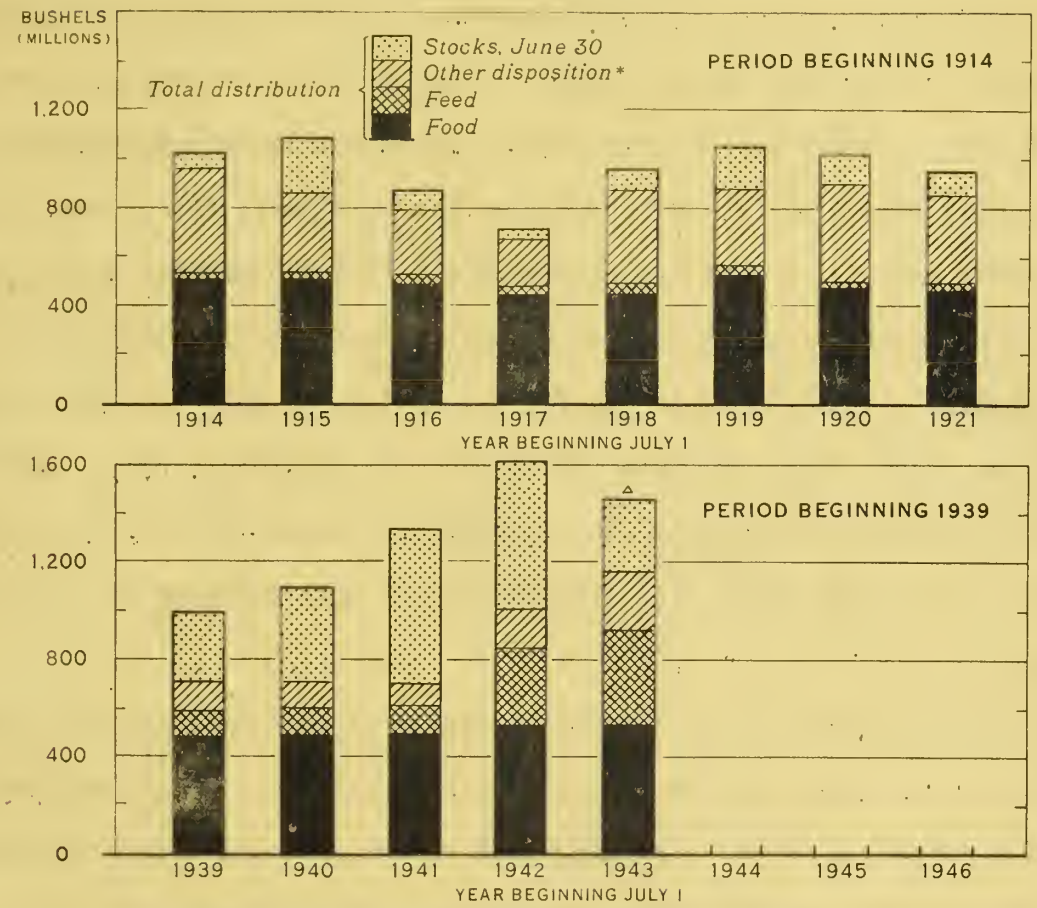
UNITED STATES DEPARTMENT OF AGRICULTURE

WS-78 BAE NOVEMBER-DECEMBER 1943

WHEAT: DISTRIBUTION IN THE UNITED STATES, 1914-21 AND 1939-43



*1914-21 EXPORTS WERE VERY LARGE; 1942-43 ALCOHOL PRODUCTION WAS LARGE
△PRELIMINARY ESTIMATE

U. S. DEPARTMENT OF AGRICULTURE NEG 43402 BUREAU OF AGRICULTURAL ECONOMICS

The carry-over of wheat next June 30 is estimated at about 300 million bushels on the basis of present indications. This is in sharp contrast to the carry-over of 40 million bushels on June 30, 1918. Large supplies and reduced exports have made record quantities available for feed and industrial alcohol production in this war, compared with small supplies and large exports with curtailed use for all domestic purposes in the last war. A carry-over of 300 million bushels would amply provide for operating stocks, reserve for small yields, and for post-war relief.

THE WHEAT SITUATION

Summary

The wheat carry-over in the United States on July 1, 1943, was 618 million bushels and for July 1, 1944, is estimated at 300 million bushels. This is in sharp contrast to the 40 million for 1918 and 85 million for 1919. Large supplies and reduced exports have made available record quantities for feed and industrial alcohol production in this war, compared with small supplies, large exports, and curtailed use for all domestic purposes in the last war. A carry-over of 300 million bushels next July would provide for operating stocks and reserves against possible small yields and for some post-war relief. The disappearance of our 1943-44 domestic supply is now estimated as follows, in million bushels: Food 535, feed 380, seed 80, industrial alcohol 110, and exports 50. Shipments into the United States for feed purposes, July 1 to date, total about 45 million bushels. Quantities imported should be added to the quantity of domestic wheat being fed, and will increase the total disappearance in the United States by a corresponding amount.

Stocks of wheat in the United States on October 1 totaled 1,109 million bushels, the third largest on record for that date. On the basis of supplies at the beginning of the marketing year and imports and stocks on October 1, a disappearance of 364 million bushels is indicated for the quarter. This includes an estimated 195 million bushels fed, which was very large and reflects the tightness of the corn situation. Wheat feeding is expected to be lighter with a 20-cent increase in the price of Commodity Credit feed wheat and reduced supplies of such wheat, and as the new corn crop moves to market.

Moisture condition for the winter wheat crop in southern Nebraska and the western parts of Kansas, Oklahoma, and Texas has been unfavorably dry.

In these particular sections stands are poor and spotted with drying of plants reported. Conditions elsewhere are still mostly favorable.

Wheat prices have advanced since late September to the highest levels in 15 years. Even with the recent advance, prices are below the high levels in World War I, which reflected a scarcity supply situation contrasted to the present one of relative plenty. On November 19, Stabilization Director Vinson announced a flour subsidy to enable wheat flour millers to pay as high as parity prices for wheat and at the same time to sell flour for no more than the ceiling prices now in effect. On the basis of market prices, wheat prices in early December (except for soft red winter the price of which is at the parity equivalent) were still somewhat more than 5 cents below the level which would be equivalent to parity prices to producers.

A larger world wheat acreage is expected for 1944, with increases likely in the four overseas exporting countries. Moisture has been favorable for fall wheat in western and northern Europe, but in the Danube Basin and parts of southeastern Europe it has been dry.

Stocks of wheat in the four overseas exporting countries on July 1, 1944 are expected to be at least 1,200 million bushels, even with liberal estimates for domestic and export distribution in 1943-44; by July 1, 1945, they may be down to about 800 million bushels, which would still be above average and very favorable contrasted with the situation in World War I.

The relationships of wheat prices in the various overseas exporting countries are materially different at present than under normal conditions. Prices in the United States are substantially above levels which would exist under peace conditions and without governmental support. Current prices in Australia and Argentina are currently low compared with Canadian prices, but when the shipping situation is eased and the large stocks in these countries can again move freely into world trade, a narrowing of this difference may be expected.

-- December 8, 1943

DOMESTIC WHEAT SITUATION

BACKGROUND.- In the 10-year period 1932-41, the annual carry-over of old wheat in the United States averaged about 235 million bushels, production 738 million, and domestic disappearance 677 million, of which food was 479, feed 117, and seed 81.

The loan program has been an important price factor since it came into operation in 1938. Influenced by new legislation affecting loan rates, prices rose beginning in March 1941, and prices to growers for the 1940-41 marketing year averaged 68.2 cents. Prices for the year beginning July 1941 averaged 93.9 cents, the advance in prices reflecting both the higher loan rates in effect and our participation in the war. With still higher loan rates in effect in 1942-43, prices for that year averaged about $1.06.

Loan rates to farmers for 1943 wheat were based on $1.23 per bushel at local markets, which represented 85 percent of the national parity at the beginning of the crop year. 1/ In 1938-39 the loan actually averaged 53 cents; in 1939-40, 63 cents; in 1940-41, 65-1/2 cents; in 1941-42, 98 cents; and in 1942-43, 113 cents. 2/

Large United States Wheat Supplies in This War; Small in World War I

During the first 4 years of the present war the wheat carry-over in the United States has averaged about 500 million bushels. This is in contrast to the average for the corresponding period in World War I of about 100 million bushels. On the basis of present indications, the carry-over next July is estimated at about 300 million bushels, reduced from the near record of 618 million on July 1, 1943. Comparable carry-over figures for July 1, 1919, 5 years after the last war started, were 45 million, and a year earlier 40 million (chart on cover page and table 1).

1/ At important terminal markets the loan values for wheat of the 1943 crop are as follows (1942 values in parentheses): No. 2 Hard Winter at Kansas City $1.37 ($1.27) and at Chicago $1.42 ($1.32), No. 2 Red Winter at St. Louis and at Chicago $1.42 ($1.32); No. 1 Dark Northern Spring at Minneapolis $1.42 ($1.32); and No. 1 Soft White at Portland including Rex $1.30 ($1.21) and excluding Rex $1.33.

2/ Stated incorrectly in recent issues. The averages as determined at the end of each year's loan program differed from the announced rates. The announced rates were determined on the basis of the national distribution by classes and grades whereas the distribution actually put under loan averaged lower in 1938-39 and 1942-43, the same in 1941-42, and higher in 1939-40 and 1940-41. In 1938-39 the loan was based on 59 cents, in 1939-40 on 61 cents, in 1940-41 on 63 cents, in 1941-42 on 98 cents, in 1942-43 on 114 cents, and in 1943-44 on 123 cents.

Table 1.- Wheat distribution, United States, 1914-21 and 1939-42

(Data for chart on cover page)

Year beginning July	Disappearance: Food 1/	Feed	Seed	Net exports 2/	Seed, alcohol, 3/ and net exports	Total	Stocks, June 30 4/	Total distribution
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
The 1914-21 period:								
1914-15	498	28	81	338	419	945	67	1,012
1915-16	500	29	80	242	322	851	225	1,076
1916-17	479	38	79	184	263	780	80	860
1917-18	437	31	87	105	192	660	40	700
1918-19	446	37	97	279	376	859	85	944
1919-20	520	37	90	220	310	867	170	1,037
1920-21	465	21	88	315	403	889	124	1,013
1921-22	458	33	88	268	356	847	96	943
The 1939-43 period:								
1939-40	482	108	73	48	121	711	280	991
1940-41	486	114	74	34	108	708	355	1,093
1941-42	489	116	62		3/ 91	696	632	1,328
1942-43	526	318	64		3/ 151	995	618	1,613
1943-44 (Preliminary)	535	5/ 380	80	5/ 50	3/ 240	5/1,155	299	1,454

1/ Civilian and military. 2/ Wheat and flour in terms of wheat; includes shipments to territories. 3/ The use of wheat for alcohol production was negligible until 1941. Small quantities of wheat were used for alcohol in 1941-42, larger amounts in 1942-43, and in 1943-44 it is estimated 110 million bushels will be so used. 4/ Stocks in 1914-21 period contained some new wheat. 5/ Without imports, which would be added to feed.

Supplies in this war have been very large chiefly because exports have been small; net exports in 1939-42 averaged less than 30 million bushels, compared with an average of 174 million in 1914-17. The demand from our Allies in this war has been primarily for noncereal foods. Production in 1939-43 averaged about 50 million bushels above that in the 1914-18 period. The large supplies in the present war have made available record quantities for feed and industrial alcohol; small supplies remaining for domestic use in the other war resulted in curtailed use. 3/

3/ United States entered World War I in April 1917 and by October of that year people were being asked to observe wheatless Wednesdays. Early in 1918 people were asked to observe two wheatless days a week, and, in addition, to have one wheatless meal each day. In February 1918, regulations were issued forbidding the sale of wheat flour to an individual consumer without an equal amount of substitutes, the list of which included all substitute flours, corn meal, corn grits, oatmeal, and rice. In March 1918, the Food Administrator found it necessary to request that no wheat or wheat products be served in any first-class hotel or restaurant until after the harvest.

Feeding of wheat and the use of it in the production of alcohol are largely responsible for the reduction in the carry-over of wheat from a record of 632 million bushels in 1942 to 618 million bushels in 1943 and the estimated 300 million bushels next July. The increase in use of wheat for human food has been only moderate. The war stimulated an increase in animal numbers to unprecedented heights, and it has been possible to feed these by using wheat in addition to the very large quantities of corn and other feed grains. The alcohol produced from wheat is used in the production of synthetic rubber, smokeless powder, shatter-proof glass, and many other products essential to the war effort. Nonfood uses of domestic wheat in 1943-44 are expected to exceed the quantity for food.

The supply of wheat for the year beginning July 1, 1943, is as follows, in million bushels: Carry-over July 1, 1943, of 618, crop 836 (upward revision of 1 in October crop report), making total supply of domestic wheat 1,454. Disappearance is now estimated as follows, also in million bushels: Food 535, feed 380, seed 80, industrial alcohol 110, and exports 50. The quantity estimated for food is moderately above the 526 million bushels 4/ for 1942-43.

The quantity for alcohol is currently placed at 110 million bushels, which compares with 2 million in 1941-42 and 54 million in 1942-43. Prior to 1941 the quantities of wheat used for alcohol were negligible. 5/ The current estimate of 110 million bushels is a reduction from earlier figures, but an upward revision from the 100 million bushels estimated in September, which was necessary because of a delay in stepping up the molasses imports from the West Indies and Hawaii. The quantity of exports and shipments is tentatively placed at 50 million bushels; the actual amount, of course, will depend upon a number of factors, including the course of the war.

The estimate of 380 million bushels of domestic wheat for feed compares with 318 million in 1942-43 and the 1932-41 average of 117 million. The estimate includes only a limited quantity for purchase for feed in the open market. Should such purchases reach a substantial volume, especially late in the season, the estimate would need to be revised accordingly. Shipments to the United States for feed purposes July 1 to date total about 45 million bushels. Quantities imported in the current year should be added to the quantity of domestic wheat being fed, and will increase the total disappearance in the United States by a corresponding amount.

A carry-over next July of about 300 million bushels would provide operating stocks of 125 million bushels, 75 million as a reserve against small per-acre yields, and leave a statistical balance of 100 million bushels. The two weakest figures in the disappearance estimates are for exports and open market purchases for feed. If the war should so develop that exports would be increased above the 50 million, it would largely reduce the reserve set up for

4/ Flour 516 million bushels and breakfast foods 10 million. The total flour ground amounted to 552 million bushels, from which must be deducted the exports of flour ground from both domestic wheat and wheat imported for milling in bond, shipments, including those to Hawaii, Alaska, and Puerto Rico, and lend-lease movement. 5/ The use of grain for the production of distilled spirits is prohibited in this war, as in the last.

war relief. However, if open market purchases for feed should become substantially large without being checked, that part of the carry-over which would be available for domestic use would be correspondingly reduced. It does not seem likely that both of these items could reduce the carry-over as low as 200 million bushels, which would still provide for operating stocks and a reserve against small yields.

July-September Wheat Disappearance
364 Million Bushels

Stocks of wheat in the United States on October 1 are placed at 1,109 million bushels, the third largest for that date -- being exceeded only by 1,384 million a year earlier, and 1,164 in 1941 (table 6). On the basis of supplies at the beginning of the marketing year plus imports and stocks remaining on October 1, a disappearance of 364 million bushels is indicated for the quarter. This is probably the largest single quarter disappearance in our history and reflects the heaviest feeding of any single quarter. With corn not moving in adequate quantities, wheat was sold readily by the Commodity Credit Corporation. It is estimated that about 170 million bushels of such wheat was fed, 58 million of which was sold prior to July 1, 1943, and carried over, and about 15 million imported. With about 25 million probably fed on farms where grown, the total quantity estimated as fed in the quarter was 195 million bushels. This disappearance is not expected to be maintained during the remaining quarters of the year. Wheat feeding is expected to be lighter with a 20-cent increase in the price and reduced Commodity Credit Corporation supplies, and as the new corn crop moves to market.

Winter Wheat Generally in Good Condition
Except in Drought Areas

Moisture in southern Nebraska and the western parts of Kansas, Oklahoma, and Texas has been below normal. Except in these sections where stands are poor and spotted with some drying reported, conditions are mostly favorable for growth of winter wheat.

Dry conditions in the western sections of the winter wheat area have undoubtedly reduced acreage below that intended. However, with winter wheat still being seeded and a substantial increase in spring wheat expected, it is too early to say that the total acreage will fall short of the 67-million-acre goal recently set by State farm leaders. 6/

Wheat Prices at Highest Levels in 15 Years

Wheat prices in the United States have advanced since late September to the highest levels in 15 years. Prices on December 7 compared with September 27 were 7 cents higher at Portland, 15 cents higher at Kansas City, and 17 cents higher at Minneapolis. Prices at St. Louis on soft red winter declined 6 cents to the newly announced ceiling levels. On other wheats market prices are still somewhat more than 5 cents below the level which would be the equivalent to parity prices to producers.

6/ Announced November 11; is 1 million acres lower than suggested goal announced by the War Food Administration on July 13.

Even with the recent advance, wheat prices are below the high prices in World War I, which reflected a scarcity supply situation. The price at local markets as of mid-November this year was $1.37. Prices at local markets for the crops of 1917 and 1918 averaged $2.05 and for the 1919 crop $2.16. The price at present is much higher than would ordinarily be related to an abundant supply situation, being (1) supported by the loan program, and further influenced by (2) reluctance on the part of growers to sell at levels thus far attained this season, (3) large purchases by distillers for the production of industrial alcohol, and (4) purchases for lend-lease and for military needs. The loan program not only has raised the general level of wheat prices by assuring growers a price floor but it also removed large quantities from market supplies which were sold for feed. The quantity of 1943 wheat placed under loan this year, July 1 through November 30, was 122 million bushels (of which 8 million bushels has already been redeemed) compared with 339 million bushels in the same period a year ago. The smaller quantity under loan this year results from market prices being substantially above loan levels. On December 7 market prices were above loan levels as follows: Portland 14 cents, Minneapolis 19 cents, St. Louis 23 cents, and Kansas City 24 cents. During the past month or so continuation of dry conditions in the area extending from southwestern Nebraska to western Texas and announcement of a flour subsidy have also been price-strengthening factors.

On November 19 Stabilization Director Vinson announced a flour subsidy to enable wheat flour millers to pay as high as parity prices for wheat and at the same time to sell flour for no more than ceiling prices now in effect. Subsidy rates were announced on November 30, effective December 1 until further notice. With the recent advance in wheat prices, flour millers had been paying considerably more than the wheat price-equivalent of the flour ceilings, which greatly curtailed new flour sales. On November 6 price ceilings were placed on soft wheat, and it is anticipated that ceilings on other wheats will be announced shortly.

On December 4 the War Food Administrator announced an increase of 20 cents a bushel in the price of feed wheat on and after December 6. Feed wheat for some time has been priced substantially below other grains. Heretofore feed wheat has been supplied principally from stocks acquired by the Commodity Credit Corporation under its loan program. With the market substantially above loan rates, it will be necessary to meet the demand for this grain for feed by purchases, which will be largely of foreign grain.

WORLD WHEAT SITUATION

BACKGROUND.- Large world crops and restricted trade resulted in the largest world wheat supplies on record in the period 1938-43. The blockade and other war conditions reduced world exports of wheat and flour to below 400 million bushels in 1941-42 and 1942-43 compared with 465 million bushels in 1940-41, 625 million in 1939-40, and 638 million in 1938-39.

World Wheat Crop Only About 5 Percent Below 1942

Current information and prospects indicate a 1943 world wheat crop, excluding the U.S.S.R. and China, about 5 percent smaller than in 1942, large reductions in Canada and the United States being offset only in part by increases in Europe, Argentina, India, and Turkey (table 7). The current indication is an upward revision reflecting a substantial increase in the prospects for the Argentina crop. The second official estimate for Canada places the crop at 294 million bushels, a reduction of 2 million bushels, which compares with the near-record crop of 557 million bushels last year. 1/ While the current 294-million-bushel crop is the smallest since the 180 million crop in 1937, it is not a small crop -- being only slightly below the 1929-38 average of 309 million bushels. With a crop of 836 million bushels estimated for the United States compared with 981 million last year and 14 million for Mexico compared with 16 million a year ago, the reduction from last year for North America totals over 400 million bushels.

The estimate for Europe is still maintained at about 1,540 million, which is 160 million above the figure for 1942 and the best crop since 1939 and only slightly below the 10-year (1932-41) average of 1,563 million bushels. The crop is reported to be fairly good in most countries, with a record set in the United Kingdom, above average yields for most of the Danube Basin and Italy, but below average for Spain, Portugal, and Sweden. Increased acreage for harvest in 1944, especially in central Europe and the Danube Basin, together with generally favorable growing conditions, largely accounted for the better crop. Drought conditions were responsible for the reduced outturn in Portugal, Spain, and in southern France.

The official preliminary estimate for Argentina places the crop at 312 million bushels, which is far above the estimate in the September-October issue of The Wheat Situation and much above all recent trade indications. The improvement in prospects reflects very favorable growing conditions during the past 2 months. The current official estimate of acreage at 16,917,000 acres is 15,000 above the estimate available in September. These figures indicate a yield of 18-1/2 bushels per seeded acre, which would be one of the highest yields on record, if not the highest. The first official estimate is scheduled for December 10 and may show some downward revision as a result of rust damage reported recently in certain districts.

In Australia yields are variable, and, while the crop is still indicated below normal, late rains have resulted in some improvement over earlier expectations. The crop is unofficially placed at about 100 million bushels, which would be the second smallest crop in 23 years and compares with 156 million last year and the 1932-41 average of 162 million bushels.

In the Union of South Africa crop prospects improved after a poor start and is unofficially placed at about 17 million bushels compared with 19 last year. With the improvement which has taken place in the past 2 months it now appears that the 1943 crop in the Southern Hemisphere may exceed that of 1942 by about 5 percent.

Prospects indicate that the crop in Free China will be about 15 percent above a year ago.

1/ See table 7, footnote 2.

Increase in World Wheat Acreage in Prospect for 1944

Acreages in the four principal exporting countries in 1942 and 1943 reached the lowest levels since World War 1. This situation resulted from the fact that each one of the countries reached the lowest level in many years. An increase in any one country would raise the total, and increases generally in the four countries may be expected to raise the total considerably. There will be a significant increase in the acreage in the United States. Canada is planning to hold its agricultural goal meeting in early December so that definite announcement of 1944 plans may soon be released. In spite of large stocks still on hand in Canada, particularly on farms, much of which will be carried over next July, the 1944 acreage of wheat is expected to show some increase over the reducted level of 1943. In line with a recent statement by the Argentine Minister of Agriculture that it is the policy of his Government to expand agricultural production, an increase in acreage is expected in Argentina in 1944. Some increase is also expected in Australia over the present acreage which has been sharply reduced by many factors, of which shortage of labor and fertilizer has been important.

Moisture conditions have been favorable for fall wheat sowing and germination in western and northern Europe, and a full acreage for this area is reported even though there are shortages of labor, equipment, and fertilizers. With the loss of the Ukraine, German officials have stressed the importance of the 1944 agricultural production. Parts of southeastern Europe have been dry and have been unfavorable to seeding and germination. In the Balkans, where an increase in acreage was anticipated, drought conditions interferred with fall seedings, and, as a result, it is expected that a large spring planting will be necessary if a full acreage is maintained. Field work has recently been checked by cold weather and snow. The moisture situation is reported favorable in Turkey. In India some increase in wheat acreage is probable on new land being developed in Punjab.

Large Supplies in Four Important Exporting Countries Being Reduced

The very large supplies of wheat in the four principal exporting countries are being significantly reduced in the current marketing season -- largely as the result of expanding domestic demand, and, to a less extent, by improvement in the export situation. The use of wheat for feed and alcohol has been stepped up, especially in the United States but also in Canada and Australia, and wheat is being used for fuel in Argentina to replace imported fuel which is not available because of the tight shipping situation. The principal change in the export situation, compared with last year, is in Canada, for which export clearances overseas and to the United States are expected to be large. The liberation of Sicily and southern Italy will require a limited quantity of foreign wheat, especially in view of the disrupted distribution of the current crop within Italy. Portugal has been a fairly heavy importer this season, due to a reduced crop. Eire is still dependent upon some foreign supplies and Greece has been getting relief shipments from Canada. Spain's requirements are being met by Argentina. Some Australian wheat is being sent to relieve the famine conditions in Bengal, India.

The large wheat crop in Europe this season has resulted in improved bread rations in many cases, and reflects a grain situation considerably better than in 1918. In Rumania, where the crop was large, all rationing has now been reported abandoned.

Large Carry-Overs Plus Likely Production in 1944-45 Deemed Fully Adequate for Expected Demand

Even after meeting greatly expanded domestic requirements and increased exports in 1943-44, stocks in the four exporting countries of Canada, the United States, Argentina, and Australia on July 1, 1944, are expected to still be large. Stocks on July 1, 1943, are now estimated at an all-time high of 1,755 million bushels (revised downward from the September estimate of 1,770 million on the basis of data subsequently available), and by next July, after allowing liberally for domestic and export distribution, are expected to be above 1,200 million bushels. Stocks of this size are large enough to give reasonable assurance that supplies will be adequate to meet expanded requirements in 1944-45. If average yields are assumed on a somewhat expanded acreage, which would result in a crop of about 1,525 million bushels, supplies would total about 2,725 million bushels. Domestic use of wheat in the four countries of about 1,200 million bushels would leave a net balance of over 1,500 million bushels, which represents a full annual crop in these countries, to cover export needs. It is a quantity which is double the average world export movement in wheat, including flour, during the 1920's. Whether or not the trade exceeds that relatively high level in 1944-45 is very problematical. In the last 2 years it has been only about half this quantity. Contrasted with supplies for export in World War 1, the situation at present and in prospect is very favorable.

PRICE ADJUSTMENTS IN EXPORTING COUNTRIES FOLLOWING THE WAR

The relationships of wheat prices in the various overseas exporting countries are materially different at present than under peace conditions. On the basis of the 10-year 1929-38 average price differentials at Liverpool of wheat imported into the United Kingdom (table 2), prices in the United States are very high while those in Australia and Argentina are relatively low compared with the price of Canadian wheat. Current prices of United States No. 1 Hard Winter computed on a peacetime Liverpool basis averaged 49 cents higher than No. 3 Canadian Manitoba, or about 52 cents above the 10-year average difference.

Current prices of wheat from Australia and Argentina, computed on a peacetime Liverpool basis, average about 24 and 29 cents, respectively, lower than No. 3 Manitoba, which is much lower than the 10-year average difference of 5 and 8 cents, respectively, for the two countries. Exports from these two countries at present are greatly restricted by wartime conditions.

These spreads are likely to narrow when the present war influences, particularly shipping factors, are eliminated. The extent of the change will be determined largely by the demand for wheat and special Government programs which may be adopted within the respective producing countries. The price for the United States is so far out of line with prices in other exporting countries that even a substantial narrowing of the spread would still require special Government programs or a further relative lowering of the United States prices in order for United States wheat to compete on world markets.

The computations involved in table 2 are not intended to measure the actual spreads in export prices at the present time or indicate relationships expected to exist after the post-war adjustment period except in a broad way.

Table 2.- Variations in prices at Liverpool of overseas wheat now and pre-war

Country and kind of wheat	F.o.b. port prices Nov. 26, 1943 1/	Ocean freight to Liverpool in 1937-38	Computed value c.i.f. Liverpool	Deviations from value of Canadian 2/	Quality compared in 10 years 1929-38 3/
	U. S. cents	U. S. cents	U. S. cents	U. S. cents	U. S. cents
Argentina, Rosafe	4/ 81	18	99	- 29	- 8
Australia	5/ 78	26	104	- 24	- 5
Canadian, Manitoba No. 3	6/ 109	19	128	0	0
United States, No. 1 Hard Winter	7/ 164	13	177	49	- 3

1/ In United States currency at current rates of exchange.
2/ Canadian wheat exports exceed those of the other countries and are dominant on the Liverpool market.
3/ Average price differentials of wheat imported into the United Kingdom in 1929-38.
4/ March-April delivery.
5/ November delivery.
6/ Fort William.
7/ Gulf port.

Table 3.- Wheat: Prices per bushel in four exporting countries, Friday nearest midmonth, July-September and weekly August-September 1943

Date (Friday)	Hard wheat: United States No. 1 D. N. Sp. 15 pct. protein Buffalo c.i.f.	Hard wheat: Canada No. 2 Manitoba Buffalo c.i.f. duty paid	Hard wheat: Canada No. 1 Manitoba St. John f.o.b. 1/	Hard and semi-hard wheat: United States No. 1 D. H. W. Galveston f.o.b. 2/	Hard and semi-hard wheat: Argentina Rosafe f.o.b. 3/	Soft wheat: United States No. 1 Portland f.o.b.	Soft wheat: Australia F.o.b. 4/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Friday, midmonth							
July 16 5/	153.0	149.5	116.3	148.9	67.5	133.0	71.9
Aug. 13	150.8	147.8	118.3	151.9	72.5	139.0	73.1
Sept. 17	156.8	154.2	124.3	160.2	75.0	137.0	78.2
Oct. 15	162.9	158.4	---	166.4	76.0	139.0	78.2
Nov. 12	166.1	158.4	128.0	165.0	77.5	140.0	78.2
Weekly							
Oct. 1	159.4	158.4	---	164.4	75.0	138.0	78.2
8	160.8	158.4	---	164.6	75.0	138.5	78.2
22	162.0	158.4	---	166.5	76.3	138.0	78.2
29	164.8	158.4	127.8	167.8	76.3	139.0	78.2
Nov. 5	165.6	158.4	128.0	167.6	76.6	140.0	78.2
19	169.6	158.4	128.0	168.8	81.3	143.0	78.2
26	168.2	158.4	128.0	166.1	81.3	142.0	78.2

Current average farm prices are less than quotation about as follows: 1/ Canada 31 cents, 2/ United States 30 cents, 3/ Argentina 13 cents, and 4/ Australia 10 cents. 5/ Midmonth prices January 1942-July 1943, published in The Wheat Situation, September 1942 and subsequent issues.

Table 4.- Wheat: Weighted average cash price, specified markets and dates, 1942 and 1943

Month and date	All classes, six markets		No. 2 Hard Winter, Kansas City		No. 1 Dk. N. Spring, Minneapolis		No. 2 Hard Amber Durum, Minneapolis		No. 2 Red Winter, St. Louis		Soft White Portland 1/	
	1942	1943	1942	1943	1942	1943	1942	1943	1942	1943	1942	1943
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -												
Sept.	118.4	144.1	120.3	145.8	119.4	143.3	123.7	148.4	132.5	171.9	115.1	136.5
Oct.	115.1	149.1	120.5	152.3	119.0	149.1	117.5	150.6	138.0	175.9	113.1	138.2
Nov.	116.9		123.1	156.4	119.7	155.4	121.0	155.7	131.5	167.2	114.2	141.5
Week ended -												
Oct. 2	119.8	146.0	122.4	148.1	122.0	145.3	120.3	149.5	---	175.1	114.4	137.5
9	116.8	147.7	121.1	150.2	118.7	147.6	118.0	150.3	---	173.0	111.7	137.9
16	115.8	149.2	119.6	152.5	117.5	149.1	116.6	151.5	138.0	177.5	112.8	138.8
23	115.0	150.3	119.8	152.9	119.8	150.1	117.6	151.1	---	180.0	113.6	138.3
30	114.5	149.3	120.1	153.0	118.3	149.0	116.8	149.7	---	172.0	113.8	138.1
Nov. 6	116.0	152.4	121.8	155.3	119.9	152.9	117.8	153.0	---	167.4	114.2	139.8
13	116.5	153.8	123.4	155.4	119.1	153.9	119.4	154.3	131.5	---	114.1	140.0
20	116.2	156.7	122.8	156.7	119.7	156.9	121.3	157.1	---	---	114.0	142.5
27	118.5	158.3	124.1	158.0	120.1	158.8	125.4	157.5	---	165.0	114.6	142.9

1/ Weekly average of daily cash quotations, basis No. 1 sacked.

Table 5.- Wheat: Average closing price of December wheat futures, specified markets and dates, 1942 and 1943

Period	Winnipeg 1/		Chicago		Kansas City		Minneapolis	
	1942	1943	1942	1943	1942	1943	1942	1943
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -								
Sept.	---	102.8	126.5	148.4	120.3	143.1	118.9	140.4
Oct.	82.6	---	125.0	153.9	119.6	148.7	117.0	145.7
Nov.	82.2	---	125.4	159.7	120.9	153.4	117.1	151.9
Week ended -								
Oct. 2	83.0	1/109.1	128.0	150.7	122.2	145.8	120.5	143.0
9	82.7	---	125.5	151.8	120.0	146.8	117.6	144.0
16	82.4	---	124.0	154.2	118.6	149.2	115.9	145.8
23	82.5	---	124.4	155.0	119.2	149.8	116.4	146.6
30	82.4	---	124.3	155.5	119.2	150.2	116.2	147.3
Nov. 6	82.4	---	125.7	157.4	120.8	152.1	117.4	149.5
13	82.3	---	125.8	157.2	120.9	152.0	117.4	149.8
20	82.2	---	124.8	160.5	120.5	154.3	116.6	153.1
27	82.0	---	125.3	162.4	121.5	154.8	117.1	154.3

1/ Conversions at official rate, which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate. Trading suspended at close of September 27, 1943, price of December futures 120 cents Canadian funds, 109.1 cents United States funds.

Table 6.- Wheat: Stocks in the United States on October 1, average 1935-41, and annual 1939-43 1/

Stocks position	Average 1935-41	1939	1940	1941	1942	1943
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Farm	340,838	327,600	365,267	485,576	644,146	517,740
Interior mills, elevators, and warehouses	162,602	160,409	192,136	238,526	263,466	205,587
Commercial	153,822	161,987	186,523	284,920	269,290	199,583
Merchant mills and mill elevators	133,921	137,332	133,319	154,902	151,927	131,695
Commodity Credit Corporation: wheat in transit and in steel and wood bins	---	---	---	---	55,096	54,502
Total	791,183	787,328	877,245	1,163,924	1,383,925	1,109,107

1/ Includes stocks owned by the Government or still outstanding under Government loan.

Table 7.- Wheat production in specified countries, 1939-43 1/

Country	1939	1940	1941	1942	1943
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Northern Hemisphere					
United States	741	813	943	981	836
Canada	521	540	315	2/ 557	294
Mexico	15	13	12	16	14
Total 3 countries	1,277	1,366	1,270	1,554	1,144
Europe (30)	1,694	1,300	1,425	1,380	1,540
North Africa (4)	151	118	117	111	116
Asia (5) 3/	552	581	523	504	576
Total 39 countries	2,397	1,999	2,065	1,995	2,232
Total 42 countries	3,674	3,365	3,335	3,549	3,376
Southern Hemisphere					
Argentina	131	299	224	235	312
Australia	210	83	167	156	100
Union of South Africa	15	16	15	19	17
Total 3 countries	356	398	406	410	429
Total 45 countries 4/	4,030	3,763	3,741	3,959	3,805

1/ Data are, in many instances, unofficial forecasts and should be interpreted as indications only. 2/ Official estimate in January 1943 for 1942 crop was 592.7 million bushels; in Crop Report of September 10, 1943, it is stated that preliminary disposition data now available suggest that the crop was overestimated to the extent of about 36 million bushels. 3/ Includes India, Turkey, Syria, Lebanon, and Palestine. 4/ Represents about 95 percent of total world production excluding the U.S.S.R. and China.

Table 8.- Percentage monthly sales of wheat by farmers, United States, average 1931-40, annual 1933-42

Season beginning June	Percentage of total sales during												
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Wheat													
Average 1931-32 to 1940-41	6.9	25.2	17.4	11.3	7.0	4.5	4.5	3.6	3.9	4.2	4.7	4.0	2.8
1933	9.3	21.9	19.8	13.3	7.0	5.0	3.7	3.7	3.4	3.5	2.7	3.1	3.6
1934	11.9	30.4	15.3	9.4	5.2	4.2	4.4	2.9	3.5	2.9	4.4	3.5	2.0
1935	2.5	19.2	25.8	17.7	9.7	4.5	3.8	3.7	2.5	3.4	2.6	2.2	2.4
1936	5.8	35.4	15.8	8.7	6.8	4.3	5.6	3.1	3.4	3.8	2.7	2.9	1.7
1937	9.1	30.2	16.3	10.4	6.0	3.8	4.0	3.8	3.9	3.3	3.9	3.3	2.0
1938	5.8	24.9	17.2	11.6	7.8	4.7	4.7	3.6	3.2	3.7	3.9	5.2	3.7
1939	7.6	23.0	13.4	9.0	5.7	4.1	5.2	3.5	6.6	7.9	10.5	2.4	1.1
1940	5.6	22.0	13.0	8.9	6.1	4.1	3.8	3.8	3.3	6.2	8.8	8.6	5.8
1941	5.0	21.9	14.4	11.4	7.4	5.2	6.1	6.2	6.1	5.1	4.0	4.1	3.1
1942	3.3	14.4	9.0	9.0	7.4	5.2	6.6	7.5	8.1	11.3	9.2	4.9	4.1

Percentages for 1928-32 in The Wheat Situation December 1941, page 18.